



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:

3504

UTU-087809 et. al.

(UT-924)

APR 16 2004

CERTIFIED MAIL – Return Receipt Requested

DECISION

Intrepid Wendover Potash, LLC
700 17th Street, Suite 1700
Denver, CO 80202

: Potassium Leases
: UTU-087809 through
: UTU-087818
:

Articles of Association Required Bond Required

On April 8, 2004 Intrepid Wendover Potash, LLC filed assignments of potassium leases UTU-087809 through UTU-087818 from Reilly Industries, Inc. In accordance with the regulations at 43 CFR 3502.28 (b) a copy of the articles of the association or the partnership agreement must be submitted as part of the association qualifications prior to approval of these assignments. This information has not been received by this office.

Also in accordance with the regulations at 43 CFR 3512.18 the assignee must either furnish a new bond equivalent to the assignor's existing bond or obtain consent of the surety on the existing bond to substitute the assignee as the principal. The Bureau of Land Management requires that the statewide bond be increased to \$1,000,000 to cover reclamation costs associated with the operation. Regulations at 43 CFR 3504.60 allow for the amount of any bond to be increased when additional coverage is determined to be appropriate. The increase is necessary to assure compliance with the DITCHES and BERMS stipulation of the leases terms and coverage of the minimum royalty of \$3 per acre. The DITCHES and BERMS stipulation of the leases terms states the lessee must fill any pits, ditches and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former condition, including the removal of structures as and if required. The bond amount was projected to cover the following costs associated with the Federal potassium leases:

Lease rent and royalty:	\$ 74,100
Reclamation Costs:	\$ 925,721
Total Bond Amount: (rounded)	\$1,000,000

Enclosed are forms for submitting a new bond. If you do not agree with the bond amount, you must submit written justification to this office clarifying your position for a lesser bond amount.

RECEIVED

APR 21 2004

DIV. OF OIL, GAS & MINING

A compliance period of 30 days from the receipt of this decision will be allowed to submit the above information. Failure to comply with this requirement will result in a disapproval of your assignments.

/s/ ROBERT LOPEZ

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosures

1. Surety Bond Form

cc: Holme, Roberts & Owen, LLP, 1700 Lincoln Street, Suite 4100, Denver, Colorado 89203-4541
State Division of Oil, Gas and Mining
Salt Lake Field Office
Hill Air Force Base